GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:244
ANSWERED ON:17.12.2004
COMMITTEE ON REGULATORY STRUCTURE OF GOLD INDUSTRY
Chowdhury Shri Adhir Ranjan;Singh Shri Uday

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has recently decided to set up a committee to examine the regulatory structure of the gold industry;

(b) if so, the details thereof;

(c) whether the gold prices in the country have increased alarmingly during the last few years in the absence of any clear cut policy on gold; and

(d) if so, to what extent the restructuring of gold industry is going to put a check on gold prices?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) Yes, Sir. A Committee to examine the regulatory structure of the Gold Industry has been constituted with a view to making India an important centre for gold trading.

(b) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (b) to (d) OF THE LOK SABHA STARRED QUESTION NO. 244 FOR ANSWER ON 17TH DECEMBER,2004 REGARDING COMMITTEE ON REGULATORY STRUCTURE OF GOLD INDUSTRY.

(b) The Committee has the following terms of references:-

(i) Improving the scope of measures to be undertaken to facilitate banks to hedge in Future Markets on Gold.

(ii) Recommend measures to facilitate Mutual Funds to invest in Gold.

(iii) Recommend measures to improve the ability of the banks to implement Gold - Linked Saving Scheme.

(iv) Recommend appropriate customs and foreign trade measures that are required to be undertaken to facilitate manufacturing and trading in gold.

(v) Any other recommendation required to be made to improve trading in gold and also on measures required to ensure quality of the goods being traded.

The committee is expected to submit its report within six weeks from the date of its first meeting. The findings of the Committee are expected to improve the prospects of the Gold Trade in the country.

(c) & (d): Monthly average price of gold per 10 gms. has moved from Rs. 6187 to Rs. 6358 in India during the period January to October 2004. Gold price movements in India are generally in synchronization with the international prices. Besides, factors such as demand and supply, investor interest, interest rates, movement in the exchange rate of US$ vis-Ã -vis other international currencies, etc. affect the gold prices. The findings of the Committee constituted to examine regulatory structure of the gold industry are expected to improve the prospects of gold trade in the country.